

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

The Southern Company,)	
AGL Resources, and)	
Northern Illinois Gas Company)	
d/b/a Nicor Gas Company)	Docket No. 15-0558
)	
Application for Approval of a Reorganization)	
Pursuant to Section 7-204 of the Illinois)	
Public Utilities Act)	

**DIRECT TESTIMONY OF PATRICIA J. LEISER
ON BEHALF OF
THE PEOPLE OF THE STATE OF ILLINOIS
AND
THE CITIZENS UTILITY BOARD**

AG/CUB Exhibit 3.0

February 3, 2016

1 **Q. Please state your name and occupation.**

2 A. My name is Patricia J. Leiser. I am retired.

3

4 **Q. Where do you live?**

5 A. I live in Oak Lawn, Illinois.

6

7 **Q. What kind of a residence is your home?**

8 A. It is a single-family house.

9

10 **Q. Do you purchase gas from a utility?**

11 A. Yes. I'm currently a customer of Nicor Gas.

12

13 **Q. Have you had any interactions with Nicor Gas and its affiliates?**

14 A. Yes. On January 11, 2013 I received a letter from Nicor Gas informing me that I had

15 joined the Nicor Gas Customer Select program. The letter informed me that I would now be

16 receiving my natural gas energy supply from Nicor Advanced Energy ("NAE"), as of my first

17 meter reading on February 25, 2013. AG/CUB Ex. 3.1 is a copy of that letter.

18

19 **Q. Do you recognize the exhibit marked AG/CUB Exhibit 3.2, attached to your**
20 **testimony?**

21 A. Yes. AG/CUB Exhibit 3.2 is a copy of a letter I received from NAE. I believe I received

22 this in the fall of 2013, although the letter is undated. This letter invited me to "take control" of

23 my natural gas bill by signing up for NAE's Lock 12 program. The letter stated that by signing

up for Lock 12, my “monthly gas charges won’t change for 12 consecutive months, regardless of what happens to gas prices or the weather.” In addition, the letter stated, “By knowing your natural gas charges will be the same for a full year, you won’t have to be concerned about how our notorious winter weather or changes to market gas prices will affect your gas bills.”

Q. Did you sign up for Lock 12?

A. Yes, I did.

Q. Why did you choose to sign up for Lock 12?

A. I liked the idea of knowing that I could pay the same amount each month for my natural gas usage. I believed that because the utility’s name “Nicor” was attached to the product, I could be assured that I would either save money or at a minimum, pay no more than I otherwise would have if I was receiving gas through the Nicor utility.

Q. Did you understand that you would not be purchasing gas from Nicor Gas when you signed up with Nicor Advanced Energy and the Lock 12 program?

A. I believe at the time I understood that this was not Nicor Gas selling me these products, but rather a Nicor affiliate. Either way, I trusted the Nicor name and assumed that these products would provide me with a fair price for my natural gas usage.

Q. What do you mean when you say you “trusted the Nicor name”?

A. I have been a Nicor customer for decades. During that time I have relied on Nicor to provide me with natural gas in a safe, reliable manner, so I would have no reason to question any product or service with their name on it.

Q. Why did you assume that the products you purchased from Nicor Advanced Energy would be provided at a “fair price”?

A. For the same reasons I explained above. Nicor is my gas company and you expect your gas company to treat you fairly.

Q. Did you receive other correspondence from Nicor Advanced Energy?

A. Yes. I received a letter dated January 28, 2015, that was addressed to my late husband, Robert Leiser. The letter congratulated him and stated that he “will enjoy the predictable, convenient protection of the Lock 12 plan at a lower price for another year.” I should note that my husband passed away on December 28, 2005. The letter stated that the “Guaranteed Bill” agreement “will automatically renew” at his new monthly Guaranteed Bill amount of \$103.82 for the next 12 months, unless he cancelled the agreement within 30 days of the letter’s postmark date. Otherwise, the Guaranteed Bill plan terms and conditions, included with the letter, were effective with the next monthly billing period. A copy of this letter is attached to my testimony as AG/CUB Ex. 3.3.

Q. Did the letter contain other offers for Nicor affiliate products and services?

A. Yes, it did.

68 **Q. What other Nicor affiliate products and services were presented in the letter?**

69 A. The letter included a solicitation for Nicor Home Solutions' "Surge Protection Plan,"
70 priced at \$4.95 a month. This solicitation stated, "Power surges can damage your home's
71 systems, appliances and electronics!" and invited the customer to call 1-888-491-6483 to enroll
72 "today." The letter also advertised the Nicor Home Solutions Laundry Room Special Plan,
73 priced at \$12.95 a month, to "be prepared in case of laundry room breakdowns!" and invited the
74 customer to dial 1-888-491-6486 to enroll "today." Finally, the letter also advertised the Nicor
75 Home Solutions Kitchen Special Repair Plan, priced at \$10.95 per month, to "(b)e prepared in
76 case of kitchen breakdowns!" and invited the customer to enroll "today" by dialing 1-888-491-
77 6485.

78

79 **Q. Did you subscribe to any of these additional services?**

80 A. No, I did not. However, I already was a subscriber to two other Nicor Home Solutions
81 home warranty products, as I discuss later in my testimony.

82

83 **Q. Getting back to your NAE service, have you assessed whether you paid more or less**
84 **under the NAE Lock 12 program?**

85 A. Yes. AG/CUB Ex. 3.4 is a spreadsheet that displays the 2014 and 2015 calendar year
86 results of my switch to Nicor Advanced Energy's Lock 12 program.

87

88 **Q. How did you fare under the program?**

89 A. The bills are difficult to interpret, so I asked my daughter to attempt to calculate the
90 difference based on my bills. As shown in AG/CUB Ex. 3.4, according to her calculations, I

91 paid \$118.00 more than I otherwise would have had I remained with Nicor Gas as my natural gas
92 supplier in 2014. In 2015, I paid \$312.62 more under Lock 12 than I would have had I retained
93 Nicor Gas as my energy supplier. Thus, based on these calculations for the 2014-2015 calendar
94 year periods, it appears that I paid a total of \$430.62 more under the Nicor Gas affiliate NAE
95 program than I would have had I retained Nicor Gas as my default supplier. The average price
96 per therm it also looks as though I paid an average per therm price of \$2.84 under NAE, as
97 compared to

98
99 **Q. Did you take action once you learned of the overpayments?**

100 A. Yes. I authorized one of my (adult) daughters to discontinue my participation in the NAE
101 Lock 12 program and instructed her to advise NAE that I wanted to return to my default Nicor
102 Gas energy supply service. My daughter made the call on January 5, 2016. She told me that she
103 was told by the NAE customer service representative that I would be returned to Nicor Gas as
104 my natural gas supplier after next month's (January of 2016) meter read. I expect to return to
105 Nicor Gas as my supplier in February.

106
107 **Q. Did you receive correspondence from Nicor Gas and Nicor Advanced Energy**
108 **confirming that information?**

109 A. Yes, I did. I received in early January a letter dated January 6, 2016 from Nicor Gas
110 informing me that my participation in the Customer Select program would end with my next bill
111 date, "which should be on or around January 26, 2016." That letter is attached as AG/CUB Ex.
112 3.5.

114 **Q. Did you receive correspondence from NAE?**

115 A. Yes, I did. I received a letter dated January 7, 2016 from Nicor Advanced Energy
116 confirming that my “Guaranteed Bill” contract had been cancelled. It then invited me to learn
117 more about NAE’s “other popular products” by contacting the company by phone at 1-866-799-
118 2674, or to visit their website at nicoradvancedenergy.com. A copy of this letter is attached as
119 AG/CUB Ex. 3.6. I also received a letter from NAE dated January 18, 2016, which stated that
120 the company had “studied your natural gas usage profile in order to recommend you consider
121 another plan that many customers in similar situations are selecting.” A copy of this letter is
122 attached as AG/CUB Ex. 3.7. In this letter, NAE invites me to consider the “PriceCap” plan.
123 Under the Price Cap plan, according to the NAE website, I would “never pay more than 33.9
124 cents per therm.¹ I would note that the current Nicor Gas supply charge for January and
125 February of 2016 is 27 cents.² I chose not to sign up for the promoted PriceCap plan.

126

127 **Q. Earlier in the testimony you mentioned you were you a subscriber to other Nicor**
128 **affiliate company home warranty products. What was the cost and names of those**
129 **services?**

130 A. For several years, our household subscribed to two of Nicor Home Solutions’ warranty
131 service products. I paid \$8.95 per month for one “Service Plan” warranty plan and \$4.95 a
132 month for the Nicor affiliate ComfortGuard service. Over the 2014-2015 calendar year period, I
133 paid an additional \$214.80 for the Service Plan warranty service and an additional \$118.80 for
134 the Gas Line ComfortGuard service, or a total of \$333.60.

135

¹ See <https://www.nicoradvancedenergy.com/compare-residential-plans>

² See <https://nicorgas.com/rates-and-costs/current-gas-cost>

136 **Q. Did you ever have an occasion to use either of these warranty services provided by**
137 **the Nicor affiliate?**

138 A. No, I did not.

139

140 **Q. Do you recall when you signed up for these services?**

141 A. No, I do not. My late husband apparently subscribed to these services back in 2003.

142

143 **Q. Did you have occasion to use these services?**

144 A. No, I did not. I have no idea as to whether I would have received a benefit from using
145 these services had an opportunity arose. However, I do know that I paid more than \$100 each
146 year for services that apparently neither I nor my late husband ever used.

147

148 **Q. How do you know that you or your late husband never used these services?**

149 A. A Nicor Home Solutions customer service representative confirmed that fact in a January
150 5, 2016 phone conversation with my daughter, who I authorized to discontinue my enrollment in
151 those services at the same time she discontinued my Nicor Advanced Energy supply service.
152 Given that fact, I can't help but regret having signed up for such plans.

153

154 **Q. Does this conclude your testimony?**

155 A. Yes, it does.